

Town of Acton

472 Main Street
Acton, MA 01720

(978) 264-9617 Telephone
(978) 264-9630 Fax

Finance Department
Stephen G. Barrett, CPA, Director

8/4/03

①

TO: Board of Selectmen

FROM: Stephen G. Barrett, CPA *SGB*

RE: Finance Department Status Report on Sewer District O & M Billing – July 2003

DATE: August 01, 2003

Pursuant to the Sewer Commissioners adopting the FY 04 billing structure plan at their last meeting, Staff has implemented the following:

- We are now using the flow data from the winter of 2002\2003, which is approximately 3,000 gpd less than the previous winter we were using.
- Monthly plant costs have risen \$1,000, a 2.5% increase.
- We have adjusted the average single family residence bill from the November 1999 value of \$650, to an inflation adjusted value of \$675.
- To try to even the monthly billing values out for our residential community, we have gone to a uniform, average monthly day factor of 30.5 days each month, for FY 04.
- We have bifurcated the single gross billing rate used in FY 03, to two rates; a commercial rate and a residential rate.
- Due to the declining available balance in the Subsidy Gift Fund Account, beginning in September of this year, we will be reducing the subsidy to the residential community throughout the rest of the year and ending it at the end of June 2004.

We have worked hard since 14 July to incorporate all of the above into our monthly billing process and can report the following final details for July:

- Since the June 2003 rate setting, we have had two (2) residential sewer hook-ups. Presently, we have 301 residential accounts, at least 39 commercial businesses, 4 schools, 2 municipal properties and 2 religious organizations connected to the sewer system as of close of business July 24, 2003.
- The following is the average daily billable flow volume as of the billing cutoff date for the present and last four billing periods:

March 2003	= 83,131 gpd
April 2003	= 83,291 gpd
May 2003	= 83,767 gpd
June 2003	= 86,526 gpd
July 2003	= 83,795 gpd
- Commercial accounts were billed at \$.01660 cents per gallon. Residential accounts were billed at the rate of \$.01585 cents per gallon, less subsidy utilization of \$.00397 cents per gallon, for a net residential rate of \$.01188 cents per gallon.

Attached, please find:

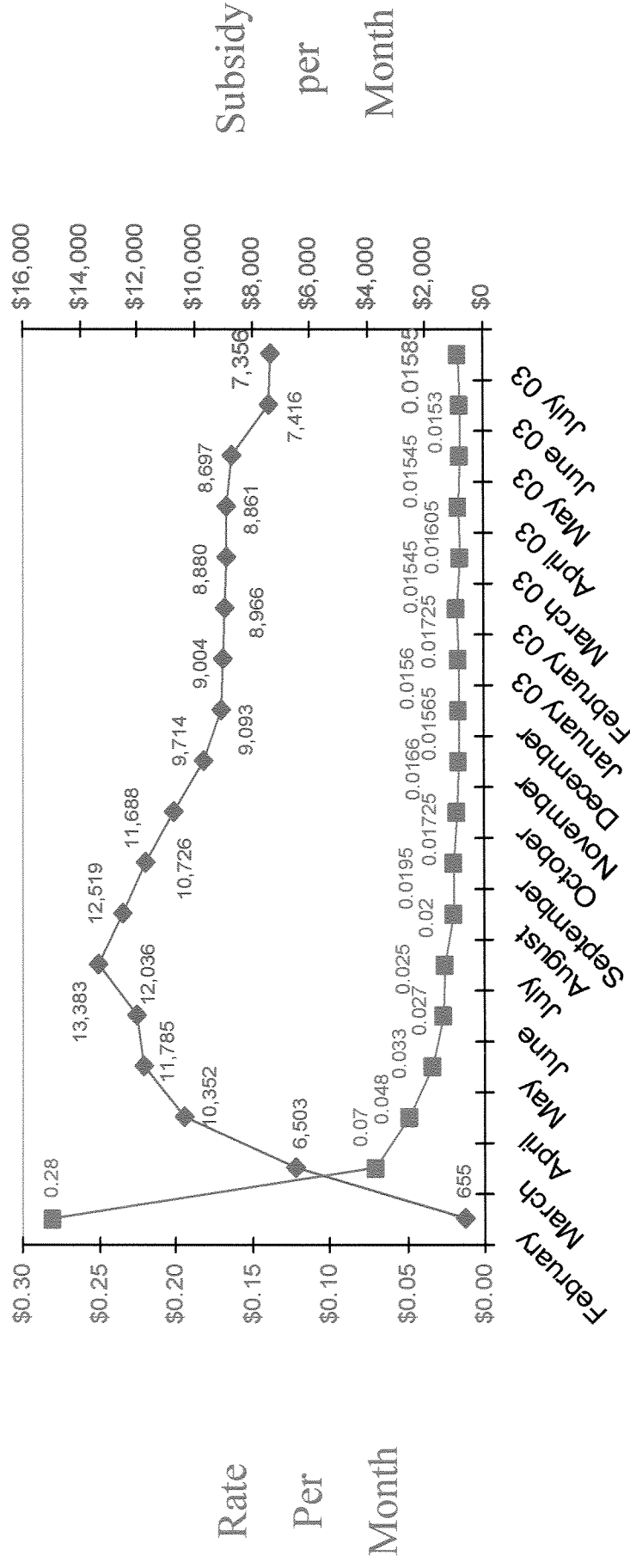
1. A graph depicting the Residential Billing Rate and the Subsidy Utilization Amount.
2. A chart detailing billing rates and subsidy amounts used since inception, Feb. 02.
3. A summary of Sewer Gift Fund Financial Activity, to date.

For your information, a message was put on each July bill as follows:

- Commercial message – “Beginning this month, and thru June 2004, the bill will be calculated on an equal monthly flow basis using the actual flow data for your property from the winter of 2002/2003. Property changes may trigger a re-calculation of flow data.”
- Residential message – “Beginning this month, and thru June 2004, the bill will be calculated on an equal monthly flow basis using the actual flow data for your property from the winter of 2002/2003. As we previously advised you, the “Residential Rebate Program” was due to expire on September 30, 2003. On July 14, 2003, the Sewer Commissioners adopted a modified “Residential Rebate Program” which extended the program thru June 2004. However, beginning in September 2003, the monthly rebate amount used will be declining, due to declining funds in the gift subsidy, and the “Residential Rebate Program” will terminate with the June 2004 bill. As part of the “Residential Rebate Program”, the Commissioners adopted other residential cost mitigation variables to keep the monthly residential sewer bills as low as possible.”

As I write this memo to you, Drummer Farms has begun hooking up. This week 3 of the 20 buildings are now flowing into the Sewer District at the cumulative rate of 1,152.1 gpd. Once again, Staff asks the Commissioners to allow them to set the residential rate for August later in the month, in order to insure the lowest possible residential rate structure by incorporating the largest number of new hook-ups possible.

Rate vs. Subsidy



Beginning next month, due to space limitations, Staff is planning to present this detail in two (2) separate Charts: one covering FY 02 thru FY 03, and the second covering FY 04.

**TOWN OF ACTON
SUMMARY OF SUBSIDY USED
INCEPTION THROUGH JULY 2004**

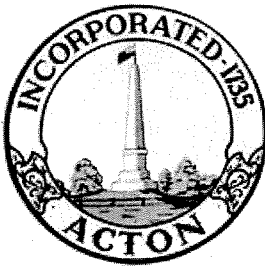
Month	Commercial		Gross Residential		Residential Subsidy Rate Per Gallon	Net Rate to Residential Customers	Residential Volume Billed	Actual Subsidy used / to be used		Cumulative Subsidy used / to be used		Total Subsidy used / to be used	
	Billing Rate Per Gallon	Billing Rate Per Gallon	Residential Billing Rate Per Gallon	Residential Subsidy Rate Per Gallon				Subsidy used / to be used	Subsidy used / to be used	Subsidy used / to be used	Subsidy used / to be used	Subsidy used / to be used	Subsidy used / to be used
February 02	0.28000	0.28000	0.28000	0.26662	0.01338	0.01338	2,457.8	655.29	655.29	655.29			
March	0.07000	0.07000	0.07000	0.05856	0.01144	0.01144	111,048.8	6,503.01	7,158.30	7,158.30			
April	0.04800	0.04800	0.04800	0.03708	0.01092	0.01092	279,167.3	10,352.36	17,510.66	17,510.66			
May	0.03300	0.03300	0.03300	0.02293	0.01007	0.01007	514,039.9	11,784.83	29,295.49	29,295.49			
June	0.02700	0.02700	0.02700	0.01602	0.01098	0.01098	751,227.7	12,036.17	41,331.66	41,331.66			
FY 02 Sub-total								41,331.66				41,331.66	
July 02	0.02500	0.02500	0.02500	0.01448	0.01052	0.01052	924,257.2	13,383.15	13,383.15	13,383.15		54,714.81	
August	0.02000	0.02000	0.02000	0.00924	0.01076	0.01076	1,347,371.6	12,519.38	25,902.54	25,902.54		67,234.20	
September	0.01950	0.01950	0.01950	0.00842	0.01108	0.01108	1,388,065.9	11,687.53	37,590.07	37,590.07		78,921.73	
October	0.01725	0.01725	0.01725	0.00659	0.01066	0.01066	1,627,556.6	10,725.65	48,315.72	48,315.72		89,647.38	
November	0.01660	0.01660	0.01660	0.00558	0.01102	0.01102	1,740,858.3	9,713.97	58,029.69	58,029.69		99,361.35	
December	0.01565	0.01565	0.01565	0.00498	0.01067	0.01067	1,825,963.7	9,093.35	67,123.04	67,123.04		108,454.70	
January 03	0.01560	0.01560	0.01560	0.00488	0.01072	0.01072	1,845,125.7	9,004.27	76,127.31	76,127.31		117,458.97	
February 03	0.01725	0.01725	0.01725	0.00540	0.01185	0.01185	1,660,403.2	8,966.14	85,093.45	85,093.45		126,425.11	
March 03	0.01545	0.01545	0.01545	0.00475	0.01070	0.01070	1,869,462.6	8,880.01	93,973.46	93,973.46		135,305.12	
April 03	0.01605	0.01605	0.01605	0.00495	0.01110	0.01110	1,790,184.6	8,861.35	102,834.81	102,834.81		144,166.47	
May 03	0.01545	0.01545	0.01545	0.00466	0.01079	0.01079	1,866,267.7	8,696.81	111,531.62	111,531.62		152,863.28	
June 03	0.01530	0.01530	0.01530	0.00406	0.01124	0.01124	1,826,670.7	7,416.28	118,947.90	118,947.90		160,279.56	
FY 03 Sub-total								118,947.90					
July 03	0.01660	0.01660	0.01585	0.00397	0.01188	0.01188	1,853,293.0	7,356.09	7,356.09	7,356.09		167,635.65	
August													
September													
October													
November													
December 03													
January 04													
February													
March													
April													
May													
June 04													
FY 04 Sub-total								7,356.09					

July 03 rate set. & sub. use

08/01/2003

**TOWN OF ACTON, MASSACHUSETTS
SUMMARY OF SEWER GIFT FUND FINANCIAL ACTIVITY**

Beginning Balance @ 1/1/2001	\$	419,602
Permanent Uses - MWPAT/Borrowing Costs/etc.		70,091
Amount currently reserved for construction		150,000
Balance available		199,511
Expended for FY 02 sewer rate subsidy		41,332
Expended for FY 03 sewer rate subsidy		118,947
Expended for FY 04 sewer rate subsidy, 7/03		7,356
Balance available - 07/31/2003	\$	31,876



Town of Acton

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Finance Department
Stephen G. Barrett, CPA, Director

August 01, 2003

Congregation Beth Elohim
P.O. Box 2218
Acton, MA 01720

If you remember, last year, at the end of August, when we started billing you for your monthly sewer operation and maintenance charges, we advised you (in our correspondence to you dated August 30, 2002, copy attached) that we would be billing you temporarily on your water usage for the winter period that you were under construction. That period translated into an average daily use of 35.6 gallons per day, a drastic reduction from the winter period prior to your construction which was 299.5 gallons per day.

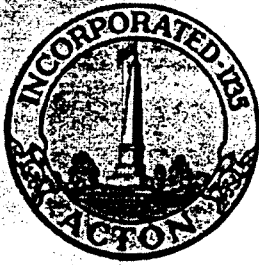
Additionally, we advised you that towards the end of the year (our fiscal year), the Acton Water District would provide us with another meter reading that would more accurately reflect your new water usage after your construction. At that time, we would retro-actively re-bill you from the date of your hook-up, of course accounting for the monthly payments you had made to that date.

At present, we have the latest meter reading from the Acton Water District for this last winter's water usage, which translates into an average daily use of 190.4 gallons per day. We have now re-calculated your bills (please refer to the attached worksheet) and herewith invoice you (per our invoice no. 4379, copies attached) for the billing difference of \$909.21.

Please return one copy of this invoice with your check, payable to the Town of Acton, to Town of Acton, Collector's Office – Wastewater Treatment, 472 Main Street, Acton, MA 01720.

Very truly yours,

Stephen G. Barrett, CPA
Finance Director



Town of Acton

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Acton, MA 01720

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Finance Department
Stephen G. Barrett, CPA, Director

August 30, 2002

Congregation Beth Elohim
P.O. Box 2218
Acton, MA 01720

Thank you for recently connecting to the Middle Fort Pond Sewer facility. Your connection has provided an environmental benefit to you and the Town. The resources that you save will benefit generations to come.

Enclosed please find your sewer Operation and Maintenance charge of \$.02 per gallon for the month of August. This amount was derived by dividing the month's operating costs of the facility by the amount of the month's billable flow to the facility.

The current billing procedure for the entire Sewer District uses this last winter's water usage, which began around the middle of September of 2001 and ended around the middle of March of 2002, as detailed on the Acton Water District's meter reading card.

Your usage for this period, while you were under construction, was 872 cubic feet of water, which translates into an average daily use for the period of 35.6 gallons per day. This is in contrast to the average daily use for the winter of 2000/2001, prior to your construction, which was 299.5 gallons per day.

We mention this because for the next several months, we will be billing you at your construction period rate of 35.6 gallons per day. Then, toward the end of the year, the Acton Water District will provide us with another meter reading that will more accurately reflect your new water usage after your construction. At that time, we will retro-actively re-bill you from the date of your hook-up, of course accounting for the monthly payments you have made to that date. As an alternative, you may wish to consider a pre-payment deposit to us, to cushion yourselves against what may be a sizeable back charge that might occur. In any case, we feel this is a fair and equitable way to handle this unusual situation in the District.

Your present invoice has been pro-rated to cover the period from your initial hook-up date through August 31, 2002.

Very truly yours,

Stephen G. Barrett, CPA
Finance Director

	gpd -		total gals. -		total bill -		gpd -		total gals. -		total bill -	
	old	# of days	old	rate per gal.	old	payments	new	# of days	new	rate per gal.	new	
8/30/2002	35.6	40	1,424.0	0.02000	28.48		190.4	40	7,616.0	0.02000	152.32	
9/30/2002	35.6	30	1,068.0	0.01950	20.83	28.48	190.4	30	5,712.0	0.01950	111.38	
10/31/2002	35.6	31	1,103.6	0.01725	19.04	20.83	190.4	31	5,902.4	0.01725	101.82	
11/30/2002	35.6	30	1,068.0	0.01660	17.73	19.04	190.4	30	5,712.0	0.01660	94.82	
12/31/2003	35.6	31	1,103.6	0.01565	17.27	17.73	190.4	31	5,902.4	0.01565	92.37	
1/31/2003	35.6	31	1,103.6	0.01560	17.22	17.27	190.4	31	5,902.4	0.01560	92.08	
2/28/2003	35.6	28	996.8	0.01725	17.19	17.22	190.4	28	5,331.2	0.01725	91.96	
3/31/2003	35.6	31	1,103.6	0.01545	17.05	17.19	190.4	31	5,902.4	0.01545	91.19	
4/30/2003	35.6	30	1,068.0	0.01605	17.14	17.05	190.4	30	5,712.0	0.01605	91.68	
5/31/2003	35.6	31	1,103.6	0.01545	17.05	17.14	190.4	31	5,902.4	0.01545	91.19	
6/30/2003	35.6	30	1,068.0	0.01530	16.34	17.05	190.4	30	5,712.0	0.01530	87.39	
					205.34	189.00						
							less pmts. made to date					
									1,098.21			
									189.00			
									<u>909.21</u>			



Town of Acton

Collector's Office - Wastewater Treatment
472 Main Street
Acton, MA 01720
(978) 264-9618

Invoice

Date	Invoice #
8/1/2003	4379

Bill To

Congregation Beth Elohim
P.O. Box 2218
Acton, MA 01720

Property Location

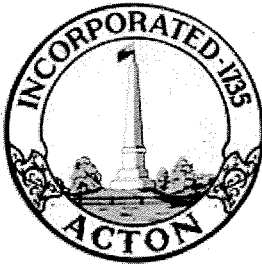
Congregation Beth Elohim
133 Prospect Street
Acton, MA 01720

Parcel ID	Terms	Due Date	Tie-in Date	
F2-138	NET 30	8/31/2003	07/22/2002	
Description		Gallons	Rate	Amount
Look-back billing period adjustment - FY 03 For the period 23 July 2002 thru 30 June 2003.			909.21	909.21
Interest of 14 % per annum will accrue on overdue payments from the due date until payment is made.			Total	\$909.21

PLEASE RETURN ONE COPY OF THIS INVOICE WITH YOUR PAYMENT!

THANK YOU !

Please make check payable to: TOWN OF ACTON



Town of Acton

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Acton, MA 01720

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Finance Department
Stephen G. Barrett, CPA, Director

August 01, 2003

Mr. Fuquan Gao
Ms. Hong Li
240 Main Street
Acton, MA 01720

If you remember, last year, at the end of September, when we started billing you for your monthly sewer operation and maintenance charges, we advised you (in our correspondence to you dated October 23, 2002, copy attached) that we would be billing you temporarily on your water usage for the winter period that you had an accuracy problem with your water meter. That period translated into an average daily use of 4.3 gallons per day, a drastic difference from the measured period of 21 June to 13 September 2002, which was 223.2 gallons per day.

Additionally, we advised you that towards the end of the year (our fiscal year), the Acton Water District would provide us with another meter reading that would more accurately reflect your water usage from mid-September 2002 to the date of that next reading. At that time, we would retro-actively re-bill you from the date of your hook-up in September 2002, of course accounting for the monthly payments you had made to that date.

At present, we have the latest meter reading from the Acton Water District for this last winter's water usage, which translates into an average daily use of 214.1 gallons per day. We have now re-calculated your bills (please refer to the attached worksheet) and herewith invoice you (per our invoice no. 4380, copies attached) for the billing difference of \$685.90.

Please return one copy of this invoice with your check, payable to the Town of Acton, to Town of Acton, Collector's Office – Wastewater Treatment, 472 Main Street, Acton, MA 01720.

Very truly yours,

Stephen G. Barrett, CPA
Finance Director



Town of Acton

472 Main Street
Acton, MA 01720

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(978) 264-9630 Fax

Finance Department
Stephen G. Barrett, CPA, Director

October 23, 2002

Mr. Fuquan Gao
Ms. Hong Li
240 Main Street
Acton, MA 01720

63-24

Just a few weeks ago, you received your first sewer Operation and Maintenance bill for the month of September, together with a cover letter from me welcoming you and thanking you for your connecting to the Middle Fort Pond Sewer facility.

As I explained in my welcoming letter, the current billing procedure for the entire Sewer District uses this last winter's water usage, which began around the middle of September of 2001 and ended around the middle of March of 2002, as detailed on the Acton Water District's meter reading card.

When your water meter was read this last March, it was noticed that there was a problem with the accuracy of your water usage for this last winter. In June of this year, a new water meter was installed. Your usage for this last winter, was a mere 100 cubic feet of water, which translates into an average daily use for the period of 4.3 gallons per day. This is in contrast to the average daily use recently calculated for the period 21 June to 13 September 2002, which was 223.2 gallons per day.

We mention this because for the next several months, we will be billing you at the rate of 4.3 gallons per day. However, toward the end of this calendar year, the Acton Water District will provide us with another meter reading that will more accurately reflect your water usage from mid-September of this year to the date of that reading. At that time, we will retro-actively re-bill you from the date of your hook-up of 5 September 2002, of course accounting for the monthly payments you will have made from that date. As a help to you, you may wish to consider a pre-payment deposit to us in the meantime, to cushion yourselves against what may be a sizeable back charge that might occur. In any case, we feel this is a fair and equitable way to handle your unusual situation in the District.

Very truly yours,

Stephen G. Barrett

Stephen G. Barrett, CPA
Finance Director

	gpd -		# of days	total gals. -		rate per gal. -	net	total bill -	payments	gpd -		# of days	total gals. -		rate per gal. -	net	total bill -
	old	new		old	new					old	new		old	new			
9/30/2002	4.3		25	107.5		0.01108		1.19		214.1	25	5,352.5		0.01108		59.31	
10/31/2002	4.3		31	133.3		0.01066		1.42	1.19	214.1	31	6,637.1		0.01066		70.75	
11/30/2002	4.3		30	129.0		0.01102		1.42	1.42	214.1	30	6,423.0		0.01102		70.78	
12/31/2003	4.3		31	133.3		0.01067		1.43	1.42	214.1	31	6,637.1		0.01067		70.82	
1/31/2003	4.3		31	133.3		0.01072		1.43	1.43	214.1	31	6,637.1		0.01072		71.15	
2/28/2003	4.3		28	120.4		0.01185		1.43	1.43	214.1	28	5,994.8		0.01185		71.04	
3/31/2003	4.3		31	133.3		0.01070		1.43	1.43	214.1	31	6,637.1		0.01070		71.02	
4/30/2003	4.3		30	129.0		0.01110		1.43	1.43	214.1	30	6,423.0		0.01110		71.30	
5/31/2003	4.3		31	133.3		0.01079		1.44	1.43	214.1	31	6,637.1		0.01079		71.61	
6/30/2003	4.3		30	129.0		0.01124		1.45	1.43	214.1	30	6,423.0		0.01124		72.19	

